

Capital Needs Assessment (CNA) e-Tool
Operational Bulletin 2017-06

TO: CNA e Tool Stakeholders

SUBJECT: Technical updates on non-FHA insured RAD conversions, the release of the HUD Reserve for Replacement (RfR) Financial Factors Tool, and system maintenance as well as links to updated documents and instructions.

1. Mandatory Date for Conventionally Financed Rental Assistance Demonstration (RAD) Conversions

Starting February 1, 2018 Rental Assistance Demonstration (RAD) conversions that are conventionally financed (non-FHA insured) will be required to use the [Assessment Tool Excel template](#) and [Validation Engine \(no credential required\)](#). These are two of the four parts of the CNA e-Tool. More information on how to use the CNA e-Tool for RAD transactions is described in the training deck, and [can be found here](#).

RAD conversions using FHA multifamily mortgage insurance must use the Assessment Tool, Validation Engine, and the [Submission Portal](#) consistent with requirements for all applications for FHA mortgage insurance in place since November 1, 2017.

Note: All RAD conversions are required to continue to use the [RAD Resource Desk](#) for both conventional financing and FHA multifamily mortgage insurance.

2. Updates to existing documents

HUD posted updated versions of the following documents:

- [HUD Insured Mortgage Process Flowchart](#)
- [Sample CNA submittal](#)
- [Known Issues and Solutions](#), a replacement of a document named “Tips and Tricks.” The document explains common errors and solutions.
- [Updated instructions](#) for connecting to EPA Portfolio Manager and obtaining Portfolio Manager Reports
- Revised HUD [RfR Financial Factors Tool version 2.0](#)

3. HUD RfR Financial Factors Tool

HUD released version 2.0 of the HUD [RfR Financial Factors Tool](#). This is an Excel spreadsheet that has been designed for HUD staff to confirm that proposed RfR escrows meet minimum funding requirements in accordance with the 2016 MAP Guide. This tool replaces version 1.01. Lenders must ensure that their financial plans for reserve funding will meet HUD minimum requirements, and are welcome (but not required) to use the RfR Financial Factors Tool.

4. Maintenance Update

CNA e-Tool will not be available from 9 a.m. – 1 p.m. EST on Saturday, December 16, 2017. HUD will install a system upgrade at that time.

5. New RAD Webinar

HUD posted a new webinar for how to use the CNA e-Tool for conventionally financed RAD transactions. The webinar can be found [here](#).

6. Further information?

For further technical information, please [complete the AAQ form](#).
For user access issues, please email CNAaccess@hud.gov.